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TO:

THE DEPARTMENT OF STATE, WASHINGTON

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SUBJECT: [Illegible]

REMARKS: [Illegible]

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POLITICALINTERNAL1. Merten Again

The Merten case returned to Parliament this week. In the three months that had elapsed since it was first debated (JOINT WEEKLY #42) the case had lost some of its political dynamism but few of its complications. Revival of interest in Merten was caused by center opposition Eleftheria's publication January 25 of a letter written by an official of the press division of the German Foreign Office, Herr von Haase, to the editor of Hamburger Echo, the newspaper which had first printed the Merten charges of war-time collaboration against officials of the Greek Government and their families, including Under Secretary of Defense Themelis and the wife of Interior Minister Makris.

At the time the charges were published in late September of 1960 the German Foreign Ministry, under heavy pressure from the Greek Government, had issued a statement that appeared to refute Merten's allegations. In the meantime a series of suits and counter-suits had been filed by Merten, Themelis, Makris, and Social Populist leader Stephanopoulos (who had been named by one German paper as the instigator of the Merten charges) in the Greek and German courts.

Von Haase's letter to Echo, which Eleftheria triumphantly printed, was couched in apologetic terms and seemed to be a retraction of the German Foreign Ministry's original "refutation" of the Merten charges. The opposition seized on the letter to reopen parliamentary debate on the subject. All opposition leaders blamed the Government for "damaging Greece's international prestige" and attempting to "smother" the Merten case by putting pressure on the German Government. Most opposition speakers called for the Government's resignation. Foreign Minister Averoff and Deputy Premier Kanellopoulos, speaking for the Government, claimed that the von Haase letter was a "private" communication and produced a note verbale from the Germans, dated January 29, 1961, reaffirming the German Government's original statement on the Merten charges. When debate finally ended late on the night of January 26 many bitter words had been spoken and the Merten case seemed farther than ever from a final resolution. (OFFICIAL USE ONLY)

Comment: The Merten charges linger like a brown cloud. The Government's real difficulty is not with Merten, who is a sorry figure and enjoys no sympathy in Greece, but with the memories he has aroused of deep war-time divisions among the Greeks, of the moral crisis of the occupation and the accounts that were left unsettled when the Bandit War ruptured old loyalties and drew new battle lines. Whatever immediate damage Merten may inflict on the Government's prestige is probably less dangerous than the political atmosphere that he is helping to create, an atmosphere in which the Government is increasingly isolated and the Communists increasingly respectable. (CONFIDENTIAL)

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